

- Credit Card Interchange Fee Act will Protect Small Businesses from Credit Card Companies -

Poughkeepsie, NY – Standing with local business owners at the "All Shook Up" café today, U.S. Rep. John Hall (D-Dover) announced legislation he is pushing in Congress that would crack down on the credit card fees imposed on small businesses that impact consumer prices. The legislation would protect small businesses and consumers from credit card companies seeking to pad their profits by raising interchange rates charged to small businesses. The Credit Card Interchange Fee Act (H.R. 2382) would, for the first time, set standards on the fees the credit industry imposes on small businesses.

"A critical component of our economic recovery is a renewed focus on small businesses," said Congressman Hall. "Small businesses are the first affected by an economic downturn and usually hit the hardest. When times get tough, a small business does not have very many options. There is not much fat to trim in a small business budget. Credit card companies impose largely unregulated and overly burdensome interchange fees on businesses every time a consumer uses a credit card for a transaction. These interchange fees cost small businesses an enormous amount of money."

Interchange fees are charges placed on businesses by credit card companies every time a consumer uses a credit card for a transaction. Last year, some of America's largest businesses reported more spending on interchange fees than employee health care. The amount of money big banks collect in interchange fees has tripled from 2001 to 2008, costing American consumers \$36 billion a year. Credit card fees in the U.S. are the highest in the world, accounting for as much as 2 percent of the cost of every credit card transaction. By comparison, fees in the United States are almost three times more than in Australia (0.7 percent) and four times what consumers and businesses pay in the United Kingdom (0.5 percent). The average American family pays an extra \$300 a year on items they purchase as a result of credit card fees. These "interchange fees" can add more than 8 cents to the price of a gallon of gas.

"I am pleased that Congressman Hall is taking a firm stand against additional charges to small business," said President and CEO of Dutchess County Regional Chamber of Commerce Charles North. "It is difficult enough for small business to try and survive in this challenging economy without having to pay additional charges and fees. Congressman Hall's action is a step in the right direction to preserve America's small business."

The Credit Card Interchange Fee Act increases transparency by requiring credit card companies to disclose the terms of these fees. The bill will increase federal oversight to guard against unfair and anti-competitive practices. It puts an end to credit industry penalties for not meeting a minimum transaction quota and it allows businesses to give consumers a discount if they pay in cash.

The Credit Card Interchange Fee Act builds on the Credit Cardholders' Bill of Rights, legislation Hall cosponsored and help pass into law. The Credit Cardholders' Bill of Rights instituted sweeping reform of the credit industry, putting in place common-sense protections against credit card company abuses, such as banning unfair rate increases, abusive fees, and penalties imposed on consumers

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